

A.J. Wright™



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Press Release

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The TJX Companies to build \$41 million distribution center

SOUTH BEND – An inner city “brownfield” site on the west edge of the Studebaker Corridor will soon be transformed into a \$41 million distribution center that will be used to supply goods to A.J. Wright off-price retail stores throughout the Midwest. The company expects to employ more than 800 workers by 2007 when the project is completed.

In a joint announcement, Lt. Governor Joe Kernan, South Bend Mayor Stephen J. Luecke and Project Future Executive Director Patrick M. McMahon said that The TJX Companies of Framingham, MA has agreed to purchase approximately 85 acres of land near the intersection of Sample and Olive streets. Company officials said the distribution center will be used to better position their A.J. Wright off-price retail operation for its on-going aggressive growth.

The TJX Companies is the leading off-price retailer of apparel and home fashions in the U.S. and worldwide. The \$10.7 billion company is the parent to T.J. Maxx, Marshalls, Home Goods and A.J. Wright off-price retail stores in the United States, Winners, in Canada, and T.K. Maxx, in Europe.

The TJX Companies expects to break ground on July 1 for the first phase of the project, a 500,000 square foot facility, and intends to hire about 600 people to staff the operation. The second phase, a 300,000 square foot building, will begin 24 to 36 months after that, and will ultimately employ an additional 200 people.

“Finding and acquiring this property was a rather complex “team effort” that involved state, county and city governments, economic development groups, private industry and landowners, said The TJX Companies Vice President and Administrative Services Director Stanley J. Oldfield. “We are particularly excited by the location of the site, which will give us the opportunity to redevelop a historic inner city neighborhood and put our operation close to the expected employee base.”

Oldfield added that although many of the new jobs will be first-time employment opportunities, they are going to provide on the job training as well as very generous benefits packages that may include such non-traditional amenities as day care and English as a Second Language classes.

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"I couldn't be more pleased that TJX Companies has again chosen to invest in Indiana," said Lt. Governor Joe Kernan, who serves as director of the Indiana Department of Commerce and is the former mayor of South Bend. "This project will be a significant boost to the local economy -- particularly to the westside neighborhoods within the Enterprise Zone where the facility will be located. It will provide jobs and stability to the area, and I'm proud of the partnership that brought this new distribution center here."

Kernan said that the Indiana Department of Commerce has offered \$300,000 from the Skills Enhancement Fund to help defray the cost of training new employees. Commerce also awarded the city a \$1.05 million Industrial Development Grant to assist in infrastructure improvements required by the expansion. He added that since the facility is located in a urban enterprise zone the company is exempt from inventory and gross income taxes and is also eligible for up to \$1,500 employment expense credit per zone resident employee hired to work at the location. South Bend's Urban Enterprise Association also offered \$200,000 for expanded training assistance to the company.

"This is a great day for the City of South Bend, and a great day for the Sample/Ewing Development Area," South Bend Mayor Stephen J. Luecke said. "It would have been much easier to drop this development into a greenfield site, but thanks to the innovative philosophy of The TJX Companies and the "make it happen" approach by our City development team and all our partners, we are bringing jobs to the people and investment to an underutilized site in the heart of an older industrial area.

"This development highlights our strategy to provide a wide range of investment sites in South Bend, from inner city to commercial corridors, from downtown to Blackthorn," he said. "It also supports our efforts to provide a strong mix of jobs that reflect the diverse talents and skills of our community. By providing employment opportunities from entry level to professional, we support the full spectrum of the career ladder and provide access to jobs for all members of our community.

"I am proud of the efforts of City staff and deeply grateful to our partners who helped to make this development happen. Project Future's leadership and experience were critical to working through complex issues. The Urban Enterprise Association helped secure options on the property and is granting training dollars to the project. Incentives from the Department of Commerce allowed us to seal the deal. St. Joseph County and the South Bend Community School Corporation have assisted with key pieces of property. AEP and NIPSCO are working with us on utility relocations. Private property owners were very cooperative in helping us to assemble the needed land. And The TJX Companies had the patience to work with us through challenges at the site because they believed that it is the right thing to do. I welcome them to South Bend as our newest partner in job creation and investment. They will be a leading corporate citizen."

Other local officials also praised the location of the site, and said they expect the project to have a significant positive impact on the neighborhood and on the west end of the Studebaker Corridor. Project Future Executive Director Pat McMahon said this is the first time in his organization's 20 year history that a major corporation new to the community has chosen to redevelop an inner city brownfield area instead of seeking a location in an industrial park or a greenfield site near an interstate highway interchange.

"Take a company that has the vision, patience and commitment to consider and work through the issues associated with a redevelopment effort, and match that up with a Herculean effort by local businesses, utilities, and governmental organizations to assemble all the pieces, and projects like this result," McMahon said.

McMahon said he anticipates the project will not only benefit the neighborhood, but will significantly boost the local trucking and truck service industry. Initial plans for the site include a parking area capable of holding as many as 700 semi trailers, and that company officials expect an average of 60 trucks to come and go every day.

With the action taken this morning by South Bend's Redevelopment Commission, the project will now enter into a period of due-diligence during which there will be a variety of actions taken by the affected parties necessary to complete these negotiations.

Fact Sheet

TJX Companies and AJ Wright info available at <http://www.tjx.com>

Project info

- \$41 million investment to build new pick-n-pack distribution facility on 85 acres at intersection of Sample & Olive (*see map*)
- Phase 1 — 500,000s.f. to begin construction July 1, 2002; expected to employ 600
- Phase 2 — 300,000s.f. to begin 24 to 36 months later and is expected to employ 200 more (anticipated total employment: 800)
- Jobs will be mostly “entry level” with full benefits package
- City’s investment is expected to be about \$5.5 million
- Tax abatement over 10 years: \$2.8 million
- Indiana Department of Commerce offered \$300,000 from the Skills Enhancement Fund (SEF) to help defray the cost of training new employees.
- Indiana Department of Commerce also awarded the city a \$1.05 million Industrial Development Grant to assist in infrastructure improvements required by the expansion.
- Since the facility is located in a urban enterprise zone the company is exempt from inventory and gross income taxes and is also eligible for up to \$1,500 employment expense credit per zone resident employee hired to work at the location.
- South Bend’s Urban Enterprise Association is extending a \$200,000 grant for expanded training assistance.

Partners:

TJX Companies
(<http://www.tjx.com>)
The State of Indiana
The City of South Bend
South Bend City Council
South Bend Redevelopment Commission and staff
St. Joseph County Commissioners
Private property owners
AEP
NIPSCO
Urban Enterprise Association
South Bend Community School Corporation
Project Future
South Bend Community and Economic Development
South Bend Legal staff

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Fact Sheet

Additional Information

The project site is within the Sample-Ewing Development Area. SEDA also includes the Studebaker Corridor, future Studebaker and Oliver redevelopment sites, and the New Energy Ethanol Plant. This project area is bordered by the Rum Village, Indiana Avenue, Westside, St. Casimer, Southeast and Western Avenue neighborhoods. The property being used was farm land up until the 1950s when the site was built out for trucking and distribution uses.

At 86 acres, this is the largest brownfield site reinvestment project in North Central Indiana. The site is one of the many recent investments in the area including the redevelopment of the Saunders Lumber site (Walnut and Sample) by Calhoun Lumber, Fun F/X Warehouse and Retail facility (Sample Street), the Ice Box (South Walnut Street), the St. Joseph County Jail, Steel Warehouse/Lock Joint Tube...

The site is within the Urban Enterprise Zone (UEZ). The UEZ is a state-designated program that provides incentives to businesses primarily through an inventory tax credit. In return, these businesses must reinvestment in their facilities, equipment and their employees. The Urban Enterprise Association provides assistance to employees in the zone for training, child care, uniforms and transportation. The UEZ, through the UEA, provides funds to businesses that employ Zone residents for on-the-job training and other employer-employee reinvestment.